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## REMARKS

AUG 17 2006

Claims 1-14 were under consideration in the application before the present amendment. Claims 1-8 stand allowed. Claims 9-14 have been rejected and are cancelled by this amendment. Reconsideration and further examination of the application is respectfully requested.

The invention relates to a method of using a JPEG engine to assist in efficiently constructing MPEG I-frames.

Rejection of claims 9-14 under 35 U.S.C. § 101:

Claims 9-14 have been rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. While Applicant disagrees with the examiner and believes the subject matter of these claims to be patentable, these claims have been cancelled in the interest of expediting allowance of the application.

The remaining claims 1-8 stand allowed. There are no other outstanding rejections or objections. Applicant believes this application is in condition for allowance, and such action is earnestly solicited.

Respectfully submitted,

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August 17, 2006  
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